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CLINICAL TRIAL AGREEMENT

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, on behalf of its San Diego campus (hereinafter "University"), and Pro-Neuron, Inc., having a business address at 1530 East Jefferson Street, Rockville, MD 20852, a California corporation (hereinafter "Sponsor") agree that University will perform a clinical trial (hereinafter the "Trial") in accordance with the protocol developed by University entitled: "Pyrimidine and Ribose Therapy in a Disorder of Nucleotide Metabolism" A copy of the protocol is attached hereto and incorporated herein as Exhibit A.

1. INVESTIGATOR — University's Principal Investigator, Alice L. Yu, M.D., Ph.D., will be responsible for conducting the Trial.

2. TERM — This agreement begins August 1, 1995, and ends July 31, 1996.

3. STANDARDS OF PERFORMANCE

a) All applicable laws, rules, regulation and guidelines, including those of the United States Food and Drug Administration, shall be adhered to by University and Sponsor in the performance and documentation of the study;

b) University shall provide the physician, laboratory, statistical, and clinical support staff levels of effort required to complete the Study and shall prepare all reports required in a timely manner; and

c) University shall keep Sponsor advised of the status of the Study via monthly reports. There shall also be a final report of the Study presented to Sponsor within sixty days of completion of the study.

4. OBLIGATIONS

a) Sponsor shall provide, without cost to University, sufficient amounts of its PN401 to University to conduct the study for a period of one year. University may not use the PN401 in any way other than as specified in the Protocol;

b) Sponsor shall provide University with any preclinical or background information that is germane to the Study;

c) University shall file a compassionate use IND with the Food & Drug Administration for the restricted use of PN401 in four patients;

d) Sponsor shall have no obligations under the IND;

e) Sponsor shall provide payment of Fifteen Thousand Dollars ($15,000.00) for the costs of the entire study. Payment will be made upon the following schedule: $5,000 upon signing of this Agreement; $5,000 six (6) months after signing of this Agreement; and $5,000 twelve (12) months after signing of this Agreement.

f) The investigator(s) shall immediately (within 24 hours) notify Sponsor of any serious or unexpected adverse event (as defined in 21 CFR § 312.32) in the course of the Study of which they become aware; and

g) University shall permit Sponsor to inspect, monitor and audit all patient records and patient reports related to the study.

5. CONFIDENTIALITY

Sponsor will not disclose confidential information unless it is necessary to the Trial. Any information considered by Sponsor to be confidential will be clearly marked by Sponsor, in writing, as "Confidential." Except as required by law, University will not disclose confidential information for a period of five years from the end of this Agreement. This obligation does not apply to information that was known to University prior to its receipt from Sponsor as established by prior written records; information which, after disclosure, becomes part of the public domain by publication or otherwise through no act or omission by University; or information received from a third party who is not under an obligation of confidentiality to Sponsor. Information required to be disclosed by law or regulation may be disclosed, but only under the highest standard of confidentiality possible under the circumstance and such disclosure will not of itself put information into the public domain. University will promptly notify Sponsor of any such disclosures.

6. PUBLICATION

University may publish Trial results but will not disclose confidential information received from Sponsor. University will provide manuscripts to Sponsor for its review and possible action to protect patent rights at least thirty (30) days prior to the proposed submission for publication or disclosure. Publication can be delayed at the Sponsor's request for an additional 60 days in order for Sponsor to prepare and file any proposed patent applications. Sponsor may also provide comments with respect to the accuracy and interpretation of Trial results and may delete any proprietary or confidential information from the publication. Pro-Neuron agrees to designate at least one Pro-Neuron employee as a co-author on any such publications. University and Sponsor agree to discuss any differences in good faith and make appropriate changes to publications, as necessary.

7. INVENTION RIGHTS

University will acquire no rights of any kind with respect to the drugs or their usage provided by Sponsor as a result of performance under this Agreement. All rights to inventions, innovations, or discoveries (whether patentable or not and collectively referred to as Inventions), which are made or developed by any personnel or staff of University which involve i) materials provided to the University by Sponsor; ii) data emanating from the direct performance of the Clinical Trial; or iii) PN401; shall be the sole property of Sponsor. University agrees to promptly assign to Sponsor the sole and exclusive ownership thereto, upon the payment of costs by Sponsor, if any, incurred by University in the filing, prosecution or maintenance of any patent application or patent issuing therefor. Such application, if any, will be filed and prosecuted by Sponsor.

8. UNIVERSITY NAME

California Education Code section 92000 prohibits use of University's names to suggest that University endorses a product or service. Sponsor will not use University's names, including "UCSD", without prior written approval, except to identify University as the trial site.

9. SUBJECT INJURY

Except for obligations with respect to product liability claims, Sponsor accepts no liability should a subject suffer any adverse effect caused by the test drug, the study procedures, or laboratory work required by the protocol. Sponsor will not be responsible for any medical or hospital costs required for the diagnosis and treatment of such adverse effect.

10. DATA

University and Principal Investigator acknowledge that all information required on case report forms under the Protocol will be the sole property of Sponsor. Subject to the confidentiality requirements in Section 5, University may use the data for its own internal educational purposes and programs.

11. TERMINATION

Either party may terminate this agreement upon thirty days written notice. The parties will safely withdraw subjects from the Trial over a mutually agreeable period if thirty days notice is insufficient, based upon evaluation of risks to subjects. The provisions of sections 6, 7, 8, 9, and 10 of this agreement shall remain in effect for any occurrences arising out of performance of the agreement prior to termination.

12. APPLICABLE LAW

Should a dispute arise concerning the terms of this Agreement or the performance of the obligations herein the laws of the State of California govern this Agreement.

13. NOTICE

Any notice given pursuant to this Agreement will be written and sent by certified mail, postage prepaid, return receipt requested with signature required and addressed as follows:

UNIVERSITY:

Dean, School of Medicine
University of California, San Diego
9500 Gilman Drive
La Jolla, CA 92093-0602
Attention: Janna S. Sipes, Esq.

SPONSOR:

Pro-Neuron Inc.
1530 East Jefferson Street
Rockville, MD 20852
Attn: Samuel J. Wohlstadter

WITH COPY TO:

Pro-Neuron, Inc.
1530 East Jefferson Street
Rockville, MD 20852
Attention: Legal Department

14. MISCELLANEOUS

a) This Agreement represents the entire understanding of the parties with respect to the subject matter;

b) Nothing contained in this Agreement should be construed, by implication or otherwise, as an obligation to enter into any further agreement;

c) Any modification of this Agreement must be in writing and signed by the parties;

d) University warrants and represents that it has no obligations, contractual or otherwise, that would conflict with it entering into this Agreement. University further agrees that subsequent to execution of this Agreement, it will undertake no obligations which would conflict or interfere with its performance hereunder;

e) University is an independent contractor and nothing in this Agreement shall be construed to create a partnership, joint venture or employment relationship between the parties;

f) If any provision hereof shall be determined to be invalid or unenforceable, such determination shall not affect the validity of the other provisions of this Agreement; and

g) Waiver by either party or the failure by either party to claim a breach of any provision of this Agreement shall not be deemed to constitute a waiver or estoppel with respect to any subsequent breach of any provision hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year set forth below.

THE REGENTS OF THE
UNIVERSITY OF CALIFORNIA

By: Roger D. Meyer

Roger D. Meyer
Associate Dean, Administration
School of Medicine

Date: 8/8/95

PRO-NEURON, INC.

By: • Samuel J. Wohlstadter/jwr

Samuel J. Wohlstadter
President & CEO

Date: _____

* *Signed in sole capacity as President & CEO.*

READ AND UNDERSTOOD BY:

PRINCIPAL INVESTIGATOR

By: Alice Yu

Date: 8/3/95

Reviewed by Originator: mc
Reviewed by Legal: jwr

PN950.0069

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ADDENDUM t the
The Regents of the University of California - Pro-Neur n, Inc.
Clinical Trial Agreement (#95.0069)

This Addendum is made this 31st day of July, 1996, between The Regents of the University of California, on behalf of its San Diego campus, having a principal place of business at 9500 Gilman Drive, La Jolla, CA 92093-0602 and Pro-Neuron, Inc., having a principal place of business at 1530 East Jefferson Street, Rockville, MD 20852.

The parties hereby agree to extend the term of this Clinical Trial Agreement to July 31, 1997. All other non-conflicting terms of the Services Agreement remain the same.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date set forth above.

PRO-NEURON, INC.

By: _____
Harvey Rabin, PhD
Senior Vice President

THE REGENTS OF THE
UNIVERSITY OF CALIFORNIA

By: _____
Roger D. Meyer
Associate Dean
Administration
School of Medicine

Reviewed by Originator:
Reviewed by Legal: A.C.L.

95.0069